
IN THE MATTER OF FACT-FINDING

Between

**PUBLIC PROFESSIONAL AND MAINTENANCE
EMPLOYEES, IUPAT LOCAL UNION NO. 2003**

and

JOHNSON COUNTY

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***Recommendations
of Fact-Finder
Lon Moeller****I. PRELIMINARY STATEMENT**

This case involves a fact-finding proceeding arising under the Iowa Public Employment Relations Act, Iowa Code Chapter 20, between the Public Professional and Maintenance Employees, IUPAT Local Union No. 2003 ("Union") and Johnson County ("County" or "Employer").

A fact-finding hearing was held on January 22, 2004, at the County's Administration Building located at 913 South Dubuque Street in Iowa City, Iowa. The parties appeared through their designated representatives and presented exhibits and testimony supporting their positions. The record of the case was complete following the submission of the parties' closing arguments to the Fact-Finder.

II. APPEARANCES**For the Union:**

Joe Rasmussen, Business Representative and Spokesperson
Jan Frank, County Recorder's Office
Paula Lampe, Planning and Zoning Office

For the County:

Judith Perkins, Representative and Spokesperson
Lora Shramek, Human Resources Administrator
Jen Feldmann, Human Resources Assistant
Tom Kriz, County Treasurer
Kim Painter, County Recorder
Jeffrey Horne, County Budget Coordinator

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III. FACT-FINDING POSITIONS

A. For the Union:

1. Leaves of Absence

Article 8, Leaves of Absence

- a. Change 8.1a, paragraph 2 by deleting the words "up to" in (a) and (b)
- b. Add to 8.1a, paragraph 2(a) the relative of "parents" to the five day funeral leave category
- c. Change 8.1a, paragraph 3 to read as follows:

Only days absent which would have been compensable work days will be paid, and such days need not be consecutive. No payment will be made during holidays, layoffs, or leaves of absence other than what would have been paid absent the funeral leave. No deduction from an employee's vacation accrual shall be made when an eligible funeral leave occurs during a vacation. Days eligible as funeral leave shall be paid as funeral leave during a vacation and not as vacation.

2. Holidays

Article 10, Holidays

Increase the number of personal days in 10.4 from 1 to 2 per year.

3. Insurance

Change Article 12, Insurance, to read as follows:

- a. Section 12.01 – Insurance Carrier

The Employer shall have the right to select the carrier of all insurance coverages contained in this Article, provided that the Union shall receive at least three (3) months advance written notice of the change, insurance specifications shall not be diminished in any way and insurance plan administration shall not be diminished in any way.

- b. Section 12.02 – Health Insurance

All employees who select the county health care benefit plan shall be enrolled in a policy equal to that in effect on January 1, 2003 (Wellmark Blue Cross Blue Shield Alliance Select Preferred Provider Organization) subject to the plan booklet details and exceptions and the following minimum benefits for a calendar year period. Such coverage includes chiropractic services. The Employer shall pay the entire premium cost of single and family (includes same gender domestic partner) coverage for full-time employees.

Deductible	\$100 single
	\$100 family (aggregate maximum)

Deductible waived for routine office calls, out-patient procedures, normal newborn care, and one routine annual physical. Deductibles are the same for network or non-network providers.

Out-of-Pocket Maximum	\$500 single \$500 family (aggregate maximum)
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Out-of-pocket maximums include deductible amounts. Out-of-pocket maximums are the same for network or non-network providers.

Co-Insurance	90%/10% employee-in-network 80%/20% employee non-network
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Prescription Drugs	Included with medical expenses at 80/20 coinsurance. No separate deductible, out-of-pocket maximum, or co-pay.
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Lifetime Maximum Benefit Per Person	\$1,000,000 \$15,000 limit on infertility services
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c. Section 12.03 – Dental Insurance

The Employer shall pay the entire monthly single premium cost for full-time employee dental coverage. An employee selecting family dental shall pay the independent coverage portion of the monthly premium. Dental insurance coverage shall include the following minimum benefits for a calendar year benefit period:

Check-ups and teeth cleaning	no deductibles 0% employee co-insurance
Cavity repair and tooth extractions	deductible applies 20% employee co-insurance
Root canals	deductible applies 20% employee co-insurance
Gum and bone disease	deductible applies 20% to 50% employee co-insurance depending on procedure
High cost restorations (crowns)	deductible applies 20% employee co-insurance
Dentures and bridges	deductible applies 50% employee co-insurance
Orthodontics	deductible applies

50% employee co-
insurance

Deductibles for a benefit period are \$25 single and \$75 family. The maximum benefit is \$750 per eligible member for any benefit period, except orthodontics which has a \$750 lifetime maximum per member.

d. Section 12.04 - Life Insurance

The Employer shall pay the premium for life insurance in an amount equal to 100% of an employee's annual salary rounded up to the next \$1,000. The coverage shall include double indemnity for accidental death and dismemberment. This coverage will decrease when the employee retires or reaches age 65 to 67% and decrease again at age 70 to 45%.

e. Section 12.05 – Disability Insurance

The Employer shall pay the premium for disability insurance which provides for disability payments of 67% of the full-time employee's gross salary after a 126 calendar day waiting period. The maximum monthly benefit shall be \$4,000 and the minimum monthly benefit shall be \$50. The monthly benefit received is reduced by any other income benefits, including social security disability-retirement-workers' compensation, as defined by the coverage. The maximum benefit period shall be 24 months which shall have a phased reduction beginning at age 66 to a maximum benefit period at age 69 or over to a period of 12 months. Employees may purchase disability insurance with longer-term benefit periods at the employee's cost through the county at group rates.

f. Section 12.06 – Worker's Compensation

Employees may supplement worker's compensation benefits with accrued sick leave, personal day hours, vacation or earned compensatory time, but the total compensation received shall not exceed the employee's regular pay. Employees receiving worker's compensation benefits shall continue to accrue seniority and insurance benefits, but not accrue sick leave, vacation, paid holidays or other benefits.

g. Section 12.07 – Flexible Benefit Spending Plan

All employees eligible to participate in the health insurance program may participate at no employee administrative cost in the County's flexible benefits spending plan, which, under IRS regulations, allows employees to pay for health care and dependent care from pre-tax dollars.

4. **Wages**

a. Add the following new section to Article 12 – Insurance

Section 12.08 – Annuity

Any employee who does not enroll in the County's family health insurance coverage shall receive a payment of fifty dollars (\$50) per month toward a tax-sheltered annuity provided by the Employer. All employees are required to enroll for single health insurance coverage.

b. Article 26 – Wages/Longevity Pay

1. Change Section 26.1 (a) and (b) to read as follows:

(a) Effective July 1, 2004, employees shall receive the hourly amount indicated in Appendix B (Hourly Wage Rates) for their classification and seniority, plus any longevity pay for which they are eligible. The amounts in Appendix B reflect an across-the-board increase of two percent (2%) for all pay grades from the January 1, 2004 through June 30, 2004 wage appendix.

(b) Effective January 1, 2005, employees shall receive the hourly amount indicated in Appendix C (Hourly Wage Rates) for their classification and seniority, plus any longevity pay for which they are eligible. The amounts in Appendix C reflect an across-the-board increase of two percent (2%) for all pay grades from the July 1, 2004 through December 31, 2004 wage appendix.

2. Increase all longevity amounts in Appendix D, Longevity Pay, as referenced in 26.2 by the amount of one hundred dollars (\$100).

3. Add a 26.3 to be titled Payday and Payperiod:

A payperiod shall consist of two workweeks as defined in Section 3.1(a). Employees shall submit timesheets on the Monday following the end of the payperiod, or the first workday following a Monday holiday. Payday shall be on Friday of that week, or the last workday prior to a Friday holiday.

TRANSITION: The above will become effective in October 2004, and employees affected by this change will have an option of using 7 days of sick leave deducted from the employee's sick leave account on the week that one work week of pay is paid on the regular pay day to equal five days of pay for that employee, or using vacation, compensatory time, personal day, or unpaid in any combination as additional pay added to the one work week on that pay day (Joint Exhibit 2; Union Exhibit 1).

B. For the County:

1. Article 6 – Transfers

6.1 Permanent Transfers Within a Job Classification

Change section to read:

An employee may not more than once each six months request a transfer of job assignments within a job classification. Such a request for transfer to a vacancy in the same job classification shall be in writing by the employee to the Human Resources Department, on the form attached hereto. The request by an employee shall be kept on file in the Human Resources office for one year. When a job vacancy occurs within the bargaining unit, the Human Resources Department shall provide the department head filling the vacancy a list of all employees who have requested a transfer within the classification

where the vacancy exists. An employee requesting a transfer within that classification shall be granted the request unless the department head can provide just cause for denial of the request. In determining the successful candidate, qualifications directly related to the job shall be the primary consideration. Where qualifications are equal, bargaining unit seniority shall govern. Notice of the vacancy shall not be posted pursuant to Section 5.5(a), until all transfers within that classification have been disposed of. Grievances on denials shall start at Step 2 of the grievance procedure.

2. **Article 12 - Insurance**

Current contract language except for the following changes:

a. 12.1 Health/Dental/Life/Disability Insurance

Add the following sentence to the end of section:

Full-time employees shall be eligible to receive health, dental, disability and life insurance on the same terms governing provision of that insurance to all other eligible county employees. The Employer will distribute final Benefit Certificates/Summary Plan Descriptions to employees enrolled in benefit plans (health care coverage, dental care coverage, Long-Term Disability, and life insurance) as soon as they become available from the providers.

b. 12.2 Health Care Coverage

Change section to read:

All eligible employees who select county health care coverage shall be enrolled in a policy equal to that in effect on July 1, 2002 (Wellmark Blue Cross/Blue Shield Iowa 500) with the addition of an Alliance Select overlay on July 1, 2003. Effective January 1, 2005, the plan year family deductible shall become \$200 aggregate, and the plan year family out-of-pocket maximum shall become \$1000 aggregate. Aggregate shall mean amounts accumulated on behalf of any combination of family members.

3. **Article 26 - Wages**

a. 26.1 Wages

Increase all hourly rates in Appendix C (2002-2003 Hourly Wage Rates) as referenced in 26.1 by the amount of two and a half percent (2 ½%) on July 1, 2004.

b. 26.3 Pay Day – (New Section)

Employees are paid every other Friday for hours worked through the previous Saturday. In the event pay day is a holiday, paychecks shall be issued on the last work day prior to the holiday. (Joint Exhibit 1)

IV. DISCUSSION

The County has six groups of bargaining unit employees: Sheriff's Department, Secondary Roads, Administration, Ambulance, SEATS and Social Services. AFSCME represents the Ambulance, SEATS and Social Services bargaining units. The Administration unit, which includes some 71 employees in nine different offices/departments, has been represented by the Union since 1986 (Union Exhibit 2, p. 1). The Union also represents the County's Secondary Roads and Sheriff's Department units.

This fact-finding case involves the 2004-2005 collective bargaining agreement for the Administration unit. The parties agree that this case turns on the following statutory impasse items: transfer procedures, leaves of absence, holidays, insurance and wages. The County and Union have structured their arguments and presented exhibits based on the statutory criteria used for interest arbitration cases under Iowa Code §20.22(9). They agree on the appropriate group of external comparables – Black Hawk County, Clinton County, Dubuque County, Linn County and Scott County (Union Exhibit 2, pp. 2-3). The County does not claim an inability to pay. Both point to their past collective bargaining agreements/bargaining history and internal and external comparables to support their positions. The Fact-Finder will, therefore, use these factors to make his recommendations on the statutory impasse items.

Transfer Procedures

County Position

The County proposes to add "qualification language" to Article 6 – TRANSFERS, Section 6.1 – Permanent transfers within a job classification. It maintains, based on the testimony of County Treasurer Tom Kriz and County Recorder Kim Painter, that the current contract language – which allows for transfers within a job classification strictly based on seniority – has resulted in the transfer of employees into positions for which they were not qualified. Of the last four Clerk II transfers, three employees, according to the County, had "significant performance problems." Technological demands in several County departments – particularly in the Recorder's Office and the Treasurer's Office – require that employees transferring into certain positions be qualified at the point of transfer. The current contract language has caused frustration among supervisors in the nine different departments/offices represented by this bargaining unit, employees who have to work with less than qualified co-workers and the citizens of Johnson County who "experience errors" in the services they receive. The County concludes its argument by emphasizing that four of the external comparables (Clinton, Dubuque, Linn and Scott) require that employees transferring into bargaining unit positions have the "minimum qualifications" necessary for the position (County Exhibit 1).

Union Position

The Union argues that there is no need to modify Section 6.1. It points out that the Administration bargaining unit includes 21 full-time job classifications. The Union emphasizes that, in their first collective bargaining agreement, the parties "mutually agreed" to establish "a unified job classification structure with broad job classifications spanning all of the various

departments with a unified wage structure.” Seniority under Article 5 -- SENIORITY has long been credited on a bargaining unit, and not departmental, basis. The parties have consistently drawn a distinction between permanent transfers within a job classification – which are based on seniority – and bids on new jobs, which under Article 5 – SENIORITY, Section 5.5 – New jobs or vacancies, are based on the “primary considerations” of “qualifications directly related to the job” (Joint Exhibit 3, p. 10). According to the Union, the County’s proposal effectively nullifies the “just cause” provision of Section 6.1 – which states that a “department head can provide just cause for denial” of a transfer request. Given the long-standing contract language of Section 6.1, the Union concludes that there is no specific or compelling reason to change the status quo and asks the Fact-Finder to recommend current contract on the transfers procedures impasse item.

Fact-Finder’s Recommendation

Section 6.1 reflects the parties’ negotiated choice to base permanent transfers within a job classification on seniority. Change to such negotiated choices usually comes through the incremental process of collective bargaining. The County’s proposal is a major change to the parties’ expected way of doing business under Section 6.1 and cannot be recommended by the Fact-Finder for several reasons:

- This does not appear, based on the evidence presented at the fact-finding hearing, to be an issue that has been thoroughly discussed by the parties during the current or past-years’ negotiations. It is not clear, for example, whether the County has considered other contractual proposals – such as the possibility of a trial period when an employee transfers to a new department/office – to address the concerns it raises.
- No other County bargaining unit apparently has “qualification” language of the type proposed by the County for transfers.
- The two Clerk II transfers referenced by County Recorder Painter and the generalized concerns noted by County Treasurer Kriz about two of his current employees do not show that the lack of minimum qualifications is a broad problem for which the entire bargaining unit should be impacted as would occur under the County’s proposal. Generally speaking, unsatisfactory job performance can be dealt with through supervision, additional training or the progressive discipline process.
- The County has the opportunity under the “just cause” language of Section 6.1 to challenge the transfer request of bargaining unit employees who are not able or qualified to perform the assigned job duties of the positions to which they seek to transfer.
- The external comparables offer mixed support, at best, for the County’s proposal. Black Hawk County has the same permanent transfer language as that found in Section 6.1. Dubuque County, which has minimum qualifications language in its collective bargaining agreement, also looks at department-wide rather than bargaining unit seniority. Linn, Clinton and Black Hawk Counties include trial periods in their transfer provisions.

In summary, the Union’s proposal to retain the current language of Section 6.1 is the more reasonable position and is recommended by the Fact-Finder for the parties’ 2004-2005 collective bargaining agreement.

Leaves of Absence

Union Position

The Union proposes to amend Article 8 – LEAVES OF ABSENCE, Section 8.1 – Funeral leave, by removing the words “up to,” thereby allowing a flat three or five days for funeral leave and by moving “parents” to the five-day funeral leave category from the current three-day category. It also proposes contract language to the effect of “no deduction from an employee’s vacation accrual shall be made when an eligible funeral leave occurs during a vacation” (Joint Exhibit 2, p. 1). The Union maintains that its proposal is supported by comparisons with other counties and general considerations for bargaining unit employees who need specific time off from work to deal with the loss of a parent, spouse, partner or child.

County Position

The County argues that the current language of Section 8.1 is adequate and consistent with the funeral leave offered by comparable county administrative bargaining units. No comparable includes parents in the “five day leave category” for funeral leave (County Exhibit 2) and only one (Black Hawk) makes funeral leave payments during previously scheduled vacations (County Exhibit 3; Union Exhibit 16). It emphasizes that there is no “compelling reason” to expand the funeral leave entitlement, include parents with the current group of “spouse, domestic partner and child,” delete the words “up to” – thereby guaranteeing that employees will take either a full three or five days for funeral leave – or to allow employees to convert their vacation to funeral leave if a funeral occurs while an employee is on a scheduled vacation. The County closes its argument by noting that under Article 11 – VACATION, Section 11.4 – Choice of vacation period, employees can change a scheduled vacation “if a circumstance of the employee arises which would be applicable to a different paid leave prior to the start of the vacation” (Joint Exhibit 3, p. 31).

Fact-Finder’s Recommendation

The Union’s proposal simply cannot be squared with the comparables. There is no evidence in this record to support the deletion of the words “up to” from Section 8.1(a). The current contract language allows for flexibility in the event significant travel time is required to attend a funeral. Three paid days for the funeral of a parent is generally what the other external comparables provide their administrative staff. Black Hawk County is the only comparable that includes “parents” in the five-day category for paid funeral leave. Black Hawk County is also the only external comparable that “excludes vacation from funeral leave” when a funeral occurs during a scheduled vacation. The Union admits that situations in which a funeral occurs during a previously scheduled vacation “has not happened often.” Based on these facts, the Fact-Finder recommends current contract – as proposed by the County – on the leaves of absence impasse item.

Holidays

Union Position

The Union maintains that the number of unscheduled holidays/personal leave days for full-time employees set forth in Article 10 – HOLIDAYS, Section 10.4 – Personal day, should be increased from one to two days per year. It argues that this change is supported by the parties' external comparables. Administration bargaining unit employees are at the comparable average in terms of number of paid holidays (12) but receive the fewest number of personal days (1) among comparable counties (Union Exhibit 17).

County Position

The County contends that there is no reason to increase the number of unscheduled holidays/personal leave days for full-time employees from one to two. Full-time employees in this bargaining unit currently receive a "generous amount" of paid leave – 12 holidays, 18 sick leave days (annual accrual) and up to 25 vacation days each year (County Exhibit 6). The Administration bargaining unit receives the same number of paid personal days/holidays compared to other County bargaining units (with the exception of the Social Services bargaining unit) (County Exhibit 5) and is right at the median (12 paid personal days/holidays) among the external comparables (County Exhibit 4).

Fact-Finder's Recommendation

The Union's proposal offers a reasonable change that is in keeping with the paid personal leave days provided by comparable counties. While the County is at the comparable average for total paid holidays (12), its one personal leave day is well under the comparable average of nearly three personal leave days (Union Exhibit 17). County Exhibit 4 shows that Administration bargaining unit employees are tied for fourth among the six external comparables in terms of total paid holidays and personal leave days. Only full-time employees are eligible for personal leave days. Adding one more personal leave day to Section 10.4 will bring the County closer to the external comparables. The Fact-Finder, therefore, recommends that the Union's proposal on the holidays impasse item be included in the parties' 2004-2005 collective bargaining agreement.

Insurance

Union Position

The Union is of the view that the current language of Article 12 – INSURANCE should be changed to include the specific benefits for each type of insurance coverage provided for the Administration bargaining unit. This change, according to the Union, makes it easier for "the parties to effectively bargain over insurance in the future." Two of the comparables – Black Hawk County and Clinton County – have the same type of insurance provision that the Union proposes (Union Exhibits 20 and 21). The Union, however, emphasizes that it "is not proposing any changes to the current benefits in any of these insurance programs."

Next, the Union argues that the County's proposed changes to the current health insurance program – the Wellmark Blue Cross/Blue Shield Iowa 500 plan – are not warranted and simply do not generate sufficient premium cost savings to offset the economic impact increasing the family deductible and family out-of-pocket maximum will have on this bargaining unit. The Union notes that the County's proposal corresponds to premium decreases of "1.4% for deductibles and 1.1% for the out-of-pocket maximum increase." It points out that the County's health insurance premium rates are not the highest among the external comparables (Union Exhibit 18) and the County's "predicted premium increase is only 6%."

The Union additionally emphasizes that the parties have agreed on the Wellmark Blue Cross/Blue Shield Iowa 500 plan as their "base plan" for 15 years. It notes that the parties have nonetheless agreed to negotiated changes in the health insurance program. During negotiations for the 2003-2004 collective bargaining agreement, the parties added an Alliance Select overlay to the Wellmark base plan. The Union proposed during these 2004-2005 contract negotiations to trade its insurance proposal for the County's deductible/out-of-pocket maximum increases – an offer the County refused. Since the County's proposal would not even go into effect until January 1, 2005, the Union concludes its argument by suggesting that any insurance changes of this magnitude are best left to the give-and-take of collective bargaining.

County Position

The County proposes two changes to Article 12: first, it proposes to memorialize in Section 12.1 – Health/dental/life/disability insurance, a long-standing practice of providing bargaining unit employees with benefit certificates and summary plan booklets for their life insurance, dental insurance, long-term disability and health insurance programs (County Exhibits 19, 20, 21 and 22); and second, the County proposes to change Section 12.2 – Health care coverage – effective January 1, 2005 – by increasing the family deductible to \$200 aggregate and the family out-of-pocket maximum to \$1,000 aggregate.

In support of its position, the County emphasizes that it is not large enough to offer multiple insurance plans (and to pick up the hike in administrative costs) that would necessarily result from the Union's proposal (County Exhibit 9). The County points out that it pays full premium cost for its full-time employees and that premium costs for health insurance coverage have nearly doubled during the last five years (County Exhibit 10). Fifty-four employees have family plans and 12 employees have single plans (County Exhibit 7). An Employee Insurance Committee was formed in the past to examine insurance alternatives. Wellmark, the County's insurance carrier, suggested that the County move from a comprehensive major medical plan to a PPO plan and that family deductible and out-of-pocket maximums be increased. The County moved away from the comprehensive major medical plan to a PPO as of July 1, 2003. Three AFSCME-represented bargaining units (Ambulance, SEATS and Social Services) have since agreed to the same insurance proposal submitted by the County in this fact-finding proceeding (County Exhibits 12, 13, 14 and 15). The change in the family deductible and family out-of-pocket maximum correlates into significant cost savings to the County (County Exhibit 16). Even with these proposed changes, the County's insurance program is still the "richest health care plan in the comparability group" (County Exhibit 17).

As to the Union's proposal, the County argues that there are no compelling reasons "to weigh down the collective bargaining agreement and include all the additional insurance language when detailed Summary Plan Descriptions and Booklet Certificates are provided to participants." The Union's proposal would also require that any changes – such as providing new and additional benefits to the Administration bargaining unit plan – would have to be negotiated with the Union (See, e.g., County Exhibit 18).

Fact-Finder's Recommendation

The fact that the County's anticipated health insurance premium increase is expected to be 6% during the 2004-2005 contract year (County Exhibit 15) does not mean that the County and Union should not be looking at their insurance plans. The addition of the Alliance Select overlay during last year's negotiations, and the formation of an employee insurance committee, show that the Union and County have been proactive in looking at ways to try to bring insurance costs down while at the same time giving County employees the benefit of their negotiated insurance programs. Because of the parties' past willingness to explore insurance options through negotiations, any changes recommended by the Fact-Finder to the status quo should be justified by compelling reasons, including the support of comparisons with relevant employee groups.

The County's proposal to add the following sentence to Section 12.1 – "[t]he Employer will distribute final Benefit Certificates/Summary Plan Descriptions to employees enrolled in benefit plans (health care coverage, dental care coverage, Long-Term Disability, and life insurance) as soon as they become available from the providers" – reflects an interest in providing bargaining unit employees specific information about their insurance plans. The Union's proposal to modify Article 12 (and specifically proposed Sections 12.2 – 12.7) is likewise aimed at making sure that the County's administrative staff are "informed consumers" about their insurance coverage. Although the parties' proposals both reflect the same underlying interest, the Union's proposal (in Sections 12.2 - 12.7) does a better job of giving employees specific information about the minimum benefits/coverage of their insurance plans. The detailed insurance provisions of the Black Hawk and Clinton County contracts (Union Exhibits 20 and 21) favor the Union's proposal as does the Linn County insurance language (Union Exhibit 22), which is far more detailed than the Administration unit's Article 12.

The Union's proposed Section 12.1 - Insurance carrier, is a departure from the parties' current contract language of Article 12 which is not supported by the external comparables or by comparisons with the insurance language found in the County's other bargaining unit contracts. The three-month written notice requirement proposed by the Union in Section 12.1 when the County elects to change insurance carriers seems to the Fact-Finder, given the lack of comparable support, to be a question best left to the parties' negotiation process.

Changing the family deductible and out-of-pocket maximum raises another difficult question. The County pays 100% of the premium cost for single and family plan participants. Employees working for at least two of the external comparables (Black Hawk and Linn) make health insurance premium contributions (Union Exhibits 20 and 22). Increasing the family deductible and out-of-pocket maximum for family plan participants does correspond to cost-

savings – a 1.4% decrease for the \$200 family deductible and a 1.1% decrease for the changed out-of-pocket family maximum (County Exhibit 16). Three of the County's bargaining units (Ambulance, SEATS and Social Services) have voluntarily agreed to a \$100 family deductible increase and a \$500 increase in the family out-of-pocket maximum (County Exhibits 12, 13 and 14); the same change has been made by the County for its non-union staff. All County employees are covered by the same Wellmark Blue Cross/Blue Shield health insurance plan. Black Hawk, Dubuque, Clinton and Linn Counties have higher family deductibles and out-of-pocket family maximums than the County (Union Exhibit 19; County Exhibit 17). County Exhibit 17 shows that Linn County will be increasing its family deductible from \$200 to \$400 and family out-of-pocket maximum from \$1,000 to \$1,300 effective January 1, 2005 (County Exhibit 17). Even under the County's proposal, its Administration unit will be under the comparable average in terms of family deductible and out-of-pocket maximums. The County's proposal is, therefore, reasonable and supported by both the internal and external comparables.

To summarize, the Fact-Finder recommends the following on the insurance impasse issue for the parties' 2004-2005 collective bargaining agreement:

- Change Article 12 - INSURANCE to read as follows (Union's proposed Sections 12.2 - 12.7; renumber accordingly):

Section 12.1 – Health Insurance

All employees who select the county health care benefit plan shall be enrolled in a policy equal to that in effect on January 1, 2003 (Wellmark Blue Cross Blue Shield Alliance Select Preferred Provider Organization) subject to the plan booklet details and exceptions and the following minimum benefits for a calendar year period. Such coverage includes chiropractic services. The Employer shall pay the entire premium cost of single and family (includes same gender domestic partner) coverage for full-time employees.

Deductible	\$100 single
	\$100 family (aggregate maximum)

Deductible waived for routine office calls, out-patient procedures, normal newborn care, and one routine annual physical. Deductibles are the same for network or non-network providers.

Out-of-Pocket Maximum	\$500 single
	\$500 family (aggregate maximum)

Out-of-pocket maximums include deductible amounts. Out-of-pocket maximums are the same for network or non-network providers.

Co-Insurance	90%/10% employee-in-network
	80%/20% employee non-network

Prescription Drugs	Included with medical expenses at 80/20 coinsurance. No separate deductible, out-of-pocket maximum, or co-pay.
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Lifetime Maximum Benefit Per Person	\$1,000,000 \$15,000 limit on infertility services
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Section 12.2 – Dental Insurance

The Employer shall pay the entire monthly single premium cost for full-time employee dental coverage. An employee selecting family dental shall pay the independent coverage portion of the monthly premium. Dental insurance coverage shall include the following minimum benefits for a calendar year benefit period:

Check-ups and teeth cleaning	no deductibles 0% employee co-insurance
Cavity repair and tooth extractions	deductible applies 20% employee co-insurance
Root canals	deductible applies 20% employee co-insurance
Gum and bone disease	deductible applies 20% to 50% employee co-insurance depending on procedure
High cost restorations (crowns)	deductible applies 20% employee co-insurance
Dentures and bridges	deductible applies 50% employee co-insurance
Orthodontics	deductible applies 50% employee co-insurance

Deductibles for a benefit period are \$25 single and \$75 family. The maximum benefit is \$750 per eligible member for any benefit period, except orthodontics which has a \$750 lifetime maximum per member.

Section 12.3 - Life Insurance

The Employer shall pay the premium for life insurance in an amount equal to 100% of an employee's annual salary rounded up to the next \$1,000. The coverage shall include double indemnity for accidental death and dismemberment. This coverage will decrease when the employee retires or reaches age 65 to 67% and decrease again at age 70 to 45%.

Section 12.4 – Disability Insurance

The Employer shall pay the premium for disability insurance which provides for disability payments of 67% of the full-time employee's gross salary after a 126 calendar day waiting period. The maximum monthly benefit shall be \$4,000 and the minimum monthly benefit shall be \$50. The monthly benefit received is reduced by any other income benefits, including social security disability-retirement-workers' compensation, as defined by the coverage. The maximum benefit period shall be 24 months which shall have a phased reduction beginning at age 66 to a maximum benefit period at age 69 or over to a period of 12 months. Employees may purchase disability insurance with longer-term benefit periods at the employee's cost through the county at group rates.

Section 12.5 – Worker's Compensation

Employees may supplement worker's compensation benefits with accrued sick leave, personal day hours, vacation or earned compensatory time, but the total compensation received shall not exceed the employee's regular pay. Employees receiving worker's compensation benefits shall continue to accrue seniority and insurance benefits, but not accrue sick leave, vacation, paid holidays or other benefits.

Section 12.6 – Flexible Benefit Spending Plan

All employees eligible to participate in the health insurance program may participate at no employee administrative cost in the County's flexible benefits spending plan, which, under IRS regulations, allows employees to pay for health care and dependent care from pre-tax dollars.

- As proposed by the County, effective January 1, 2005, the family deductible of the parties' health insurance plan be increased from \$100 to \$200 and the family out-of-pocket maximum be increased from \$500 to \$1,000.

Wages

Union's Position

The Union proposes a 2% across-the-board wage increase July 1, 2004 and a 2% across-the-board wage increase as of January 1, 2005. Two comparables – Scott and Dubuque Counties – are settled for 2004-2005 with 3.5% wage increases (Union Exhibit 26). The Johnson County Compensation Board has recommended a 4% increase for elected officials effective July 1, 2004 (Union Exhibits 27, 29 and 30).

Next, the Union proposes a change under Article 26 – WAGES/LONGEVITY, Section 26.2 – Longevity pay, by increasing the longevity amounts in Appendix D by \$100. This proposed increase is needed inasmuch as longevity amounts have not changed since 2001. The

Union also raises this proposal in fact-finding because it "has proposed this before in negotiation with Johnson County and the County has refused to discuss it."

While it acknowledges problems with the current payday – "[t]he problem is that some employees in the bargaining unit are being paid on Fridays for hours ending that same week" – the Union believes that the best approach is to have the Fact-Finder "simply direct the Employer to make its pay period changes by attrition with new hires." Alternatively, the Union proposes to add both "payday/pay period" and "transition" language that would help to soften the blow on bargaining unit employees caused by the change to a new payday. This proposal will allow employees to "make up for a lost week of pay when the Employer adjusts the pay periods."

The Union also includes within its wage proposal a \$50 per month annuity option that is intended to provide a way for the County to reduce its health insurance costs. It points out that this proposal is effectively paid for by premium cost savings to the County and is "much cheaper than paying 100% of a family premium." The Union closes its annuity argument by noting that the Iowa City Community School District has offered a similar annuity option to its teachers.

County's Position

The County proposes a 2.5% across-the-board wage increase for the 2004-2005 contract year. According to the County, a 2.5% across-the-board wage increase exceeds the current rate of inflation (1.3% CPI-W; County Exhibit 23), allows Johnson County administrative employees to retain their status as to the external comparables (County Exhibits 21 and 22) and is consistent with the trend of local wage settlements (County Exhibits 25 and 26).

The County also proposes adding a contract provision that clearly spells out when payday occurs and the basis on which pay checks are issued - "[e]mployees are paid every other Friday for hours worked through the previous Saturday" (Joint Exhibit 1). Approximately 40% of the Administration bargaining unit employees (26) are "paid in advance" – before "services are rendered" (County Exhibit 27). This practice has been unworkable – causing frequent adjustments after paychecks are issued – and been identified by the State Auditors' Office as a situation that must be addressed by the County. This change is further necessitated by the fact that the proposed "payroll switchover" has already been successfully implemented with the County's non-union employees (County Exhibits 28 and 29).

The County maintains that the Union's proposed \$100 increase to all longevity amounts and its annuity proposal are not supported by the internal or external comparables. The County's current longevity pay is well above the comparable average (County Exhibits 19 and 20); two comparables (Dubuque and Scott) do not provide specific longevity pay to their administrative employees (County Exhibit 20). Given the County's current economic circumstances (County Exhibit 24) adding a new annuity benefit – at a cost of some \$7,200 – is not fiscally responsible. It also notes, in response to the Union's reliance on the 4% salary increase recommended by the Johnson County Compensation Board, that the County Board of Supervisors has not consistently implemented the Compensation Board's recommendations (See County Exhibit 30).

Likewise, the Union's proposal to help employees "transition" to the new pay day by converting seven days of sick leave "does not carry the same liability to the county as vacation, compensatory time, personal holiday or regular holiday" (County Exhibit 29, p. 2) and allows employees to use paid sick leave when they are not sick. Since employees have other options to ease in the transition to the new payday – "selling" accumulated vacation, compensatory time, personal holiday or banked holiday time or through payroll deferral – the Union's transition proposal is unnecessary. Finally, the total package cost of the Union's wage proposal (4.9%) compared to that of the County (3.3%) (County Exhibit 31) shows that the County's proposal is the more reasonable.

Fact-Finder's Recommendation

The parties have negotiated wage splits in the past – during the 1996-1997 and 2003-2004 contract years (Union Exhibit 25; Joint Exhibit 3). Their wage settlements for the last three contract years have averaged 3.75% (Union Exhibit 25). Although only two external comparables have settled for the current contract year, the 3.5% wage increase negotiated in both Dubuque and Scott Counties (County Exhibit 27; Union Exhibit 26) is closer to the Union's proposed wage increase than that offered by the County. The County's three AFSCME-represented bargaining units (Ambulance, SEATS and Social Services) negotiated 3% wage increases for 2004-2005; however, there is no evidence in this record to show that Administration bargaining unit wage increases have tracked those of the Ambulance, SEATS and Social Services bargaining units. In any event, a wage split of the type proposed by the Union will cost the County less than a flat 4% increase during the 2004-2005 contract year and should allow Administration bargaining unit employees to keep their relative wage rankings among the external comparables.

Although the Union's annuity proposal is aimed at addressing health insurance costs, an annuity is, nonetheless, a new benefit for the Administration bargaining unit. No external comparable provides an annuity of the type proposed by the Union. The same is true among the County's other bargaining units. The comparables do not, therefore, support the Union's annuity proposal.

The County is currently above the external comparable average in terms of longevity pay amounts (Union Exhibit 28). One comparable (Dubuque County) does not offer any longevity pay. The County nearly matches the longevity amounts offered by its neighbor to the north – Linn County. Based on these comparisons, there is no demonstrated need for any kind of "catch up" by the County's Administration bargaining unit on longevity pay.

Both the Union and the County explained the difficulties presented by the current manner in which Administration bargaining unit employees are paid. Twenty-six of the 71 bargaining unit employees are issued paychecks based on scheduled hours they have not yet worked. This current practice causes headaches for the County and likely makes things frustrating for employees when their paychecks need to be adjusted "after-the-fact." Changing this current practice so that all County employees are not "paid in advance," is not only reasonable, but in this case, shown to be necessary. That being said, the Union's point about softening the blow of this changeover is important. The County's proposed conversion to a uniform payroll schedule

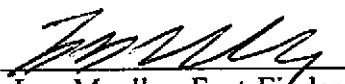
(County Exhibit 29) does give employees sufficient "lead time" to anticipate the adjustment in their paychecks. Allowing bargaining unit employees to "sell" paid accrued leave ("vacation, compensatory time, and personal holiday/bank time"; County Exhibit 29, p. 3) or to use a "payroll deferral option of up to one year" to cover any shortcomings in their expected wage amounts caused by the changeover is a reasonable response to the employees' anticipated concerns.

On the other hand, allowing employees to use their accumulated sick leave does not strike the Fact-Finder as an appropriate way to handle the situation for a couple of reasons: (1) sick leave, unlike vacation pay or paid personal leave, is a conditional benefit – meaning that you must usually be sick (or have someone in your immediate family sick) to use it; and (2) the parties admittedly don't view accrued sick leave as a "one-for-one" trade for work hours. The Union's transition proposal, for example, allows employees to substitute seven days of sick leave for one five-day workweek. Employees have a limited right under Article 7 – SICK LEAVE, Section 7.6 – Conversion of sick leave, to convert sick leave to vacation once they have accumulated 90 sick leave days; however, the conversion rate is "one hour of vacation for every four hours of sick leave accrued" (Joint Exhibit 3, p. 17).

Based on this record, the Fact-Finder recommends the following on the wages impasse item:

- a two percent (2%) across-the-board wage increase effective July 1, 2004 followed by an additional two percent (2%) across-the-board increase effective January 1, 2005; and
- add a new section 26.3 – Payday to Article 26 – WAGES/LONGEVITY:

Employees are paid every other Friday for hours worked through the previous Saturday. In the event payday falls on a holiday, paychecks shall be issued on the last workday prior to the holiday.


Lon Moeller, Fact-Finder

Dated this 3rd day of February 2004
at Iowa City, Iowa

CERTIFICATE OF SERVICE

I certify that on the 3rd day of February, 2004, I served the foregoing fact-finding report upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Joe Rasmussen
Business Representative
PPME, IUPAT Local 2003
P.O. Box 69
Alburnett, IA 52202

Lora Shramek
Administrator, Johnson County Human Resources
Administration Building
913 S. Dubuque Street, Suite 103
Iowa City, IA 52240-4207

I further certify that on the 3rd day of February 2004, I will submit this fact-finding report for filing by mail with the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, Iowa 50309.


Lon Moeller, Fact-Finder